



Business Finance Limited

FIVE-STAR BUSINESS FINANCE LIMITED

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CIN: U65991TN1984PLC010844

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NOTICE TO MEMBERS – ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting (“AGM”) of the Members of Five-Star Business Finance Limited (“the Company”) will be held on Saturday, September 16, 2023, at 11:00 AM IST through Video Conferencing (VC) Other Audio-Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023, together with the reports of the Directors’ and Auditor’s thereon.
2. To appoint a director in place of Mr Thirulokchand Vasan (holding DIN: 07679930) who retires by rotation and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

3. **Revision in remuneration of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director**

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the approval of the Nomination & Remuneration Committee and the Board of Directors at their meetings held on May 08, 2023 and May 09, 2023 respectively, in accordance with the provisions of Section 197, 198 and the provisions of Schedule V to the Companies Act, 2013, (“the Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, consent be and is hereby given to revise the terms of remuneration of Mr Lakshmipathy Deenadayalan, (holding DIN: 01723269) Chairman & Managing Director (CMD) with effect from April 01, 2023 as follows:

- (a) Salary: INR 48.67 lakhs per month
- (b) Commission: Commission & Perquisites not exceeding 1.5 times of the annual salary
- (c) (a) and (b) together not exceeding 5% of the net profits of the Company, calculated as per the provisions of Section 198 of the Companies Act, 2013

RESOLVED FURTHER THAT the commission payable to Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), in his capacity as CMD shall be linked to the levels of performance of the Company as may be determined by the Board of Directors / Nomination & Remuneration Committee, from time to time.

RESOLVED FURTHER THAT in any financial year, during the currency of his tenure, if the Company has no profits or its profits are inadequate, it may pay remuneration to Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), CMD by way of salary, allowances, commissions and perquisites not exceeding the limits specified in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company including Nomination & Remuneration Committee, be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary, proper, desirable, or expedient to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

4. Fixing of borrowing limits for the Company

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) the relevant rules, regulations/directions as may be prescribed by the Reserve Bank of India and provisions of Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Business & Resource Committee or any such committee which the Board may constitute / authorize for this purpose) of the Company to borrow from time to time such sum or sums of moneys and for availing all kinds and types of loans, advances and credit / financing / debt facilities including issuance of all kinds of debentures / bonds and other debt instruments, upto a sum of INR 8,000 Crores (Indian Rupees Eight Thousand Crores only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, Non-Banking Financial Companies (NBFCs), financial institutions, companies, firms, bodies corporate, Cooperative Banks, investment institutions and their subsidiaries, mutual funds, trusts, or from any other person as may be permitted under applicable laws, whether unsecured or secured.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized and empowered to arrange, negotiate or settle the terms and conditions on which all such loans, advances, financing and credit facilities including debentures and other debt instruments are to be borrowed / availed / issued from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit and to take all such steps as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

5. Creation of Charges on the assets of the Company

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the relevant rules, regulations/directions as may be prescribed by the Reserve Bank of India, and provisions of Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute / authorize for this purpose) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on all or any of the properties and assets of the Company both present and future and on the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / financing / debt facilities obtained or as may be obtained, or Debentures/Bonds and other debt instruments issued or to be issued by the Company to or in favour of the financial institutions, NBFCs, Co-operative Banks, investment institutions and their subsidiaries, its bankers and other banks, mutual funds, trusts and bodies corporate or trustees for the holders of debentures/bonds and/or other instruments, or any other person, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed / credit / debt / financing facilities / monies raised by issuance of debentures / bonds / instruments and through all of the aforesaid means shall not at any time exceed a sum of INR 8,000 Crores (Indian Rupees Eight Thousand Crores) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized and empowered to arrange, negotiate or settle the terms and conditions on which all such mortgaging / charging / hypothecating / assigning all or any of the immovable and movable properties and assets of the Company, both present and future, and on the whole or substantially the whole of the undertaking or the undertakings of the Company, from time to time, howsoever as it may think fit and to take all such steps as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

6. Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 (as amended from time to time), and in accordance with the Memorandum of Association and Articles of Association of the Company, and listing agreements to be entered into with BSE Limited and / or National Stock Exchange of India Limited ("Stock Exchanges"), where the non-convertible debentures of the Company are proposed to be listed, and subject to approvals, consents, sanctions, permissions as may be necessary from the Securities and Exchange Board of India (SEBI), Stock Exchanges, all other appropriate statutory and regulatory authorities, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) to issue, offer or invite subscriptions for all kinds and types of Non-Convertible Debentures (NCDs), in one or more series / tranches, aggregating up to INR 5,000 Crores (Indian Rupees Five Thousand Crores only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs are to be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer or allotment of NCDs, the Board (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering and allotment of NCDs as it may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to the Business & Resource Committee or any Committee of Directors or any Director or Directors or to any officer or officers of the Company to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

7. Ratification of Five-Star Associate Stock Option Scheme, 2015

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT in furtherance of and supplement to the special resolution passed by the shareholders on April 12, 2016 approving Five-Star Associate Stock Option Scheme 2015 (hereinafter referred to as the "ASOP 2015") and amended on October 8, 2021, pursuant to Section 62(1)(b) and other applicable provisions of Companies Act 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), provisions contained in Memorandum of Association & Articles of Association, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBSE Regulations), and based on recommendation of Nomination & Remuneration Committee, the ASOP 2015 as amended by the members at their meeting held on October 8, 2021, prior to Initial Public Offering (IPO) of shares of the Company, be and is hereby ratified and approved within the meaning of Regulation 12 of SEBI SBEBSE Regulations, as detailed in the explanatory statement annexed hereto, with the board of directors of the Company ("Board" which expression shall also include the Nomination & Remuneration Committee or any other committee that may be constituted

by the Board) being authorized to create, grant, offer, issue, vest and allot employee stock options ("ESOPs"), from time to time, in one or more tranches to the eligible employees of the Company, as defined under the ASOP 2015 and to such other persons as may from time to time be allowed to be eligible for the benefits of the employee stock option plan under applicable laws and regulations prevailing from time to time, in accordance with the ASOP 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modifications or revisions to ASOP 2015 as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, SEBI SBEBSE Regulations, as amended, the Memorandum and Articles of Association and any other applicable laws, rules and regulations thereunder.

RESOLVED FURTHER THAT the maximum number of ESOPs to be granted to eligible employees on such terms and conditions as provided in the ASOP 2015 and as may be fixed or determined by the Board shall not exceed 56,30,000 ESOPs, corresponding to 56,30,000 equity shares of the Company (subject to adjustments), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board.

RESOLVED FURTHER THAT the authority granted to the Board to grant ESOPs under the ASOP 2015 is hereby ratified.

RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ASOP 2015 and such equity shares shall rank *pari passu* with all other shares of same class issued by the Company after the date of allotment.

RESOLVED FURTHER THAT the Board, Chairman & Managing Director, Chief Executive officer, Chief Financial officer or the Company Secretary, be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

8. Ratification of the extension of the benefits under the Five-Star Associate Stock Option Scheme, 2015 to the employees of holding, subsidiary companies and group companies (present or future) of the Company

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT in furtherance of and supplement to the special resolution passed by the shareholders on April 12, 2016 approving Five-Star Associate Stock Option Scheme 2015 (hereinafter referred to as "ASOP 2015") and amended on October 8, 2021, pursuant to Section 62(1)(b) and other applicable provisions of Companies Act 2013 ("Act") read with Rule 12 of the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), provisions contained in Memorandum of Association & Articles of Association, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBSE Regulations), and based on recommendation of Nomination & Remuneration Committee, the extension of the ASOP 2015 as approved by the members at their meeting held on October 8, 2021, prior to Initial Public Offering (IPO) of shares of the Company, to the eligible employees of present or future subsidiary company in or outside India (as defined in the Act) or of a present or future holding company (as defined in the Act) or of a present or future group company (as defined in the SEBI SBEBSE Regulations) be and is hereby ratified and approved within the meaning of SEBI SBEBSE Regulations, along with the consent accorded to the Board of Directors of the Company ("Board" which expression shall also include the Nomination & Remuneration Committee or any other committee that may be constituted by the Board) to create, offer, grant, issue and allot in one or more tranches under the ASOP 2015 at any time to or for the benefit of the eligible employees of present or future subsidiary company in or outside India (as defined in the Act) or of a present or future holding company (as defined in the Act) or of a present or future group company (as defined in the SEBI SBEBSE Regulations), such number of employee stock options ("ESOPs") exercisable

into equity shares of the Company not exceeding ESOPs corresponding to equity shares of the Company, under the ASOP 2015 and, at such price as may be fixed or determined by the Board in accordance with the Act and other Applicable Laws.

RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ASOP 2015 and such equity shares shall rank *pari passu* with all other shares of same class issued by the Company after the date of allotment.

RESOLVED FURTHER THAT the Board, Chairman & Managing Director, Chief Executive officer, Chief Financial officer or the Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

9. Ratification of Five-Star Associate Stock Option Scheme, 2018

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT in furtherance of and supplement to the special resolution passed by the shareholders on March 26, 2018 approving Five-Star Associate Stock Option Scheme 2018 (hereinafter referred to as "ASOP 2018") and amended on October 8, 2021, pursuant to Section 62(1)(b) and other applicable provisions of Companies Act 2013 read with applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), provisions contained in Memorandum of Association & Articles of Association, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBSE Regulations), and based on recommendation of Nomination & Remuneration Committee, the ASOP 2018 as amended by the members at their meeting held on October 8, 2021, prior to Initial Public Offering (IPO) of shares of the Company, be and is hereby ratified and approved within the meaning of Regulation 12 of SEBI SBEBSE Regulations as detailed in the explanatory statement annexed hereto, with the board of directors of the Company ("Board" which expression shall also include the Nomination & Remuneration Committee or any other committee that may be constituted by the Board) being authorized to create, grant, offer, issue, vest and allot employee stock options ("ESOPs") from time to time, in one or more tranches to the eligible employees of the Company, as defined under the ASOP 2018 and to such other persons as may from time to time be allowed to be eligible for the benefits of the employee stock option plan under applicable laws and regulations prevailing from time to time, in accordance with the ASOP 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modifications or revisions to ASOP 2018 as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, SEBI SBEBSE Regulations, as amended, the Memorandum and Articles of Association of the Bank and any other applicable laws, rules and regulations thereunder.

RESOLVED FURTHER THAT the maximum number of ESOPs to be granted to eligible employees on such terms and conditions as provided in the ASOP 2018 and as may be fixed or determined by the Board shall not exceed 50,00,000 ESOPs, corresponding to 50,00,000 equity shares of the Company (subject to adjustments), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board.

RESOLVED FURTHER THAT the authority granted to the Board to grant ESOPs under the ASOP 2018 is hereby ratified.

RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ASOP 2018 and such equity shares shall rank *pari passu* with all other shares of same class issued by the Company after the date of allotment.

RESOLVED FURTHER THAT the Board, Chairman & Managing Director, Chief Executive officer, Chief Financial officer or the Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

10. Ratification of the extension of the benefits under the Five-Star Associate Stock Option Scheme, 2018 to the employees of holding, subsidiary companies and group companies (present or future) of the Company

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT in furtherance of and supplement to the special resolution passed by the shareholders on March 26, 2018 approving Five-Star Associate Stock Option Scheme 2018 (hereinafter referred to as "ASOP 2018") and amended on October 8, 2021, pursuant to Section 62(1)(b) and other applicable provisions of Companies Act, 2013 ("Act") read with Rule 12 of the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), provisions contained in Memorandum of Association & Articles of Association, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBSE Regulations), and based on recommendation of Nomination & Remuneration Committee, the extension of the ASOP 2018 as approved by the members at their meeting held on October 8, 2021, prior to Initial Public Offering (IPO) of shares of the Company, to the eligible employees of present or future subsidiary company in or outside India (as defined in the Act) or of a present or future holding company (as defined in the Act) or of a present or future group company (as defined in the SEBI SBEBSE Regulations) be and is hereby ratified and approved within the meaning of SEBI SBEBSE Regulations, along with the consent accorded to the Board of Directors of the Company ("Board" which expression shall also include the Nomination & Remuneration Committee or any other committee that may be constituted by the Board) to create, offer, grant, issue and allot in one or more tranches under the ASOP 2018 at any time to or for the benefit of the eligible employees of present or future subsidiary company in or outside India (as defined in the Act) or of a present or future holding company (as defined in the Act) or of a present or future group company (as defined in the SEBI SBEBSE Regulations), such number of employee stock options ("ESOPs") exercisable into equity shares of the Company not exceeding ESOPs corresponding to equity shares of the Company, under the ASOP 2018 and, at such price as may be fixed or determined by the Board in accordance with the Act and other Applicable Laws.

RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ASOP 2018 and such equity shares shall rank *pari passu* with all other shares of same class issued by the Company after the date of allotment.

RESOLVED FURTHER THAT the Board, Chairman & Managing Director, Chief Executive officer, Chief Financial Officer, and Company Secretary be and is hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

11. Approval of Five-Star Associate Stock Option Scheme, 2023 (ASOP 2023)

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (including any modification or re-enactment thereof for the time being in force) read with all circulars and notifications issued thereunder ("SEBI SBEBSE Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively, "Applicable Laws"), the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board", which term shall be deemed to include the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEBSE Regulations or any other Committee that may be constituted by the Board), the consent of the members of the Company be and is hereby accorded to the adoption and implementation of Five-Star Associate Stock Option Scheme, 2023 ("ASOP 2023"/ "Plan") and authorizing the Board to introduce, offer, create, grant and issue from time to time, in one or more tranches, stock options ("Options"), not exceeding 30,00,000 (Thirty Lakhs Only) to or for the benefit of such eligible person(s) as determined by the Board, in accordance with the Plan, exercisable into not more than 30,00,000 (Thirty Lakhs Only) equity shares of face value of INR 1.00 (Indian Rupee One) each fully paid-up, where an Option would convert into one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

RESOLVED FURTHER THAT that the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the then existing equity shares of the same class issued by the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division and others, the outstanding options granted/to be granted under the Scheme 2023 or any additional equity shares issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such number of options/additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ASOP 2023 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to grant options to eligible employees of the Company, and to make allotment, take requisite steps for listing of the equity shares allotted under the ASOP 2023 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEBSE Regulations and other Applicable Laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEBSE Regulations and any other Applicable Laws to the extent relevant and applicable to the Plan.

RESOLVED FURTHER THAT, the Board be and is hereby authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the terms and conditions of the Plan, in accordance with the terms of the Plan and subject to Applicable Laws prevailing from time to time, as it may deem fit.

RESOLVED FURTHER THAT, Chairman & Managing Director, Chief Executive officer, Chief Financial Officer, and Company Secretary be and is hereby severally authorised to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation, bringing into effect and administration of the Plan and generally for giving effect to these resolutions, as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or

doubts whatsoever which may arise and take all such steps and decisions in this regard, without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

12. Approval for extending the benefits of the Five-Star Associate Stock Option Scheme, 2023 (ASOP 2023) to the employees of the group companies, including holding, subsidiary and associate companies (present or future) of the Company

To consider and if thought fit, to pass, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (including any modification or re-enactment thereof for the time being in force) read with all circulars and notifications issued thereunder ("SEBI SBEBSE Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively, "Applicable Laws"), the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board", which term shall be deemed to include the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEBSE Regulations or any other committee that may be constituted by the Board), the consent of the members of the Company be and is hereby accorded to extend the benefits of the Five-Star Associate Stock Option Scheme, 2023 ("ASOP 2023"/ "Plan") to such eligible employees(s) of the group companies of the Company, including any holding company, associate and subsidiary company (present or future), and authorize the Board to introduce, offer, create, grant and issue from time to time, in one or more tranches, stock options ("Options") under the Plan, not exceeding 30,00,000 (Thirty Lakhs Only) Options exercisable into not more than 30,00,000 (Thirty Lakhs Only) equity shares of face value of INR 1.00 (Indian Rupee One) each fully paid-up, where an Option would convert into one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorised to grant options to eligible employees of the group companies of the Company, including any holding company, associate and subsidiary company (present or future), and to make allotment, take requisite steps for listing of the equity shares allotted under the ASOP 2023 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEBSE Regulations and other Applicable Laws.

RESOLVED FURTHER THAT Chairman & Managing Director, Chief Executive officer, Chief Financial Officer, and Company Secretary be and is hereby severally authorised to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation, bringing into effect and administration of the Plan and generally for giving effect to these resolutions, as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard, without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

By Order of the Board of Directors

Place: Chennai
Date: August 16, 2023

Shalini Baskaran
Company Secretary

Notes:

1. Pursuant to the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the Securities and Exchange Board of India (SEBI) (**"the Circulars"**) and all other relevant circulars issued from time to time, companies are allowed to hold Annual General Meeting (AGM) through video conference (VC) or other audio visual means (OAVM) and physical attendance of the Members to the AGM venue is not required. In compliance with the circulars, the 39th AGM of the company is being held through VC/OAVM. Hence, the members are requested to attend and participate in the ensuing AGM through VC/OAVM facility being provided by the company through National Securities Depository Limited (**"NSDL"**).
2. Quorum of the AGM shall be in accordance with Section 103 of the Companies Act, 2013.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held through VC, the facility to appoint proxy to attend and cast vote for the members will not be available for this AGM. Hence, proxy form and attendance slip are not attached to this notice.
4. Corporate / institutional shareholders who are intending to authorise their representatives to attend the AGM are requested to upload in the e-voting portal, a certified copy of the Board Resolution with attested specimen signature of the duly authorized signatory(ies) authorizing their representative to attend and vote on their behalf at the AGM or alternatively e-mail the same to the scrutinizer at secretarial@sandeep-cs.in with a copy marked to secretary@fivestargroup.in and evoting@nsdl.co.in.
5. The Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Record of Depositories as on August 18, 2023, in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars. All correspondence relating to change of address, e-mail ID, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to KFin Technologies Limited (KFin), the registrar and share transfer agent (RTA). The members holding shares in dematerialized form may send such communication to their respective depository participant/s (DPs).
6. The place of the AGM for statutory purposes shall be the registered office of the Company. The AGM is being held in VC/OAVM; accordingly, the route map of the venue of the meeting is not annexed hereto.
7. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the AGM is annexed hereto.
8. In terms of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government and statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings, the necessary disclosures is furnished and forms part of the notice as Annexure A.
9. Information as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of re-appointment of director is furnished and forms part of the notice as Annexure A.
10. Since shares of the Company are traded on the stock exchanges compulsorily in demat mode, members holding shares in physical mode are advised to get their shares dematerialized. Effective April 01, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
11. Nomination facility is available to individuals holding shares in the Company. Members can nominate a person in respect of shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case maybe. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs to complete the nomination formalities.

12. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.
13. Effective October 1, 2023, RTA will be obligated to freeze the folios for which PAN, nomination, contact details, bank account details and specimen signature have not been furnished. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the above documents. If the securities continue to remain frozen as on December 31, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002. In compliance with SEBI guidelines, the Company had sent communication intimating about the submission of above details to all the members holding shares in physical form. Relevant details and forms prescribed by SEBI in this regard are available at <https://ris.kfintech.com/clientervices/isc/default.aspx>. Members holding shares in electronic form shall submit their PAN to their respective DP. Members holding shares in physical form shall submit their details to RTA.
14. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Act and the Certificate for the ASOP Schemes of the Company as required under the SEBI Listing Regulations will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection by the members up to the date of AGM, i.e. September 16, 2023. Members seeking to inspect such documents can send an email to secretary@fivestargroup.in.
16. The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) along with unpaid or unclaimed dividend declared for the financial year ended March 31, 2015 and earlier periods to the Investor Education and Protection Fund (IEPF). Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from IEPF, by submitting an application in the prescribed form.
17. In line with the Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.fivestargroup.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
18. In accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 & in compliance with the Circulars, Notice of the AGM along with the Annual Report 2022-23 are being sent only through electronic mode to all those members whose email address are registered with the RTA/DPs. Members may note that the Notice and Annual Report 2022-23 will also be available on the website of the Company at www.fivestargroup.in, website of stock exchanges and on the website of NSDL www.evoting.nsdl.com. Physical / hard copies of the same will be sent, if specifically requested by a member.
19. Mr Thirulokchand Vasan (DIN:07679930), Non-Executive Director is liable to retire by rotation at the AGM pursuant to Section 152(6) of the Companies Act 2013 and being eligible has offered himself for re-appointment at the 39th AGM.
20. **The business set out in the notice will be transacted through remote electronic voting system and the Company is also providing facility for voting by electronic means during the AGM held through VC. Detailed instructions and other information are given below.**

A. Instructions for Voting through electronic means:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing the facility of remote e-Voting to its Members to exercise their right to vote on the resolutions set forth in the notice convening the AGM scheduled to be held on Saturday, September 16, 2023 at 11 am IST. The Company has availed the services of National Securities Depository Limited (NSDL) to provide VC facility, remote e-voting and voting in the AGM in a secure manner.

- b) *The remote e-voting period commences on Wednesday, September 13, 2023 (9:00 am IST) and ends on Friday, September 15, 2023 (5:00 pm IST). During this period, Members holding shares either in physical form or in dematerialized form as on September 9, 2023 ('Cut-Off date') are entitled to avail the facility to cast their vote through remote e-voting.*
- c) *The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.*
- d) *Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting through electronic voting system and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.*
- e) *The Board has appointed Mr S Sandeep (FCS 5853 /COP 5987), Managing Partner of M/s S Sandeep and Associates, Company Secretaries, as Scrutinizer to scrutinize the remote e-voting and e-voting process during the AGM in a fair and transparent manner in terms of the requirements of the Act and the rules made there under, and he has communicated his eligibility and willingness to be appointed as Scrutinizer and given his consent for the same and will be available for the said purpose.*
- f) *The Scrutiniser shall make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman within a period two working days from the conclusion of the AGM.*
- g) *The results would be declared on or after the date of AGM of the Company by the Chairman or the person authorized by him. The Results of voting declared along with the Scrutinizer's Report will be published on the Company's website at www.fivestargroup.in and on the website of NSDL at www.evoting.nsdl.com within two working days from the conclusion of the AGM and the same shall also be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited.*

B. Other Information and instructions relating to AGM:

- a) *The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large members (i.e., members holding 2% or more shareholding), promoters, institutional investors, Directors, Auditors, etc. who can attend the AGM without any restriction on account of first-come-first-served basis.*
- b) *The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.*
- c) *The members, whose names appear in the register of members / beneficial owners as on the record date (cut-off date) i.e., September 9, 2023, may cast their vote electronically. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. September 9, 2023.*
- d) *Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 9, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as of the cut-off date i.e. September 9, 2023 may follow steps mentioned in the Notice of the AGM under "Instructions/steps for voting through electronic means".*
- e) *Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.*

- f) Members who wish to speak at the AGM may register themselves as a speaker by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number to secretary@fivestargroup.in on or before 5.00 pm IST on September 13, 2023. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The facility for registration as a speaker will be open from September 11, 2023 (9.00 a.m. IST) till September 13, 2023 (5.00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g) Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number to secretary@fivestargroup.in on or before 5.00 pm IST on September 13, 2023 and the same shall only be considered and responded during the AGM. Please note that questions will be answered only if the member continues to hold the shares as of cut-off date. The facility for emailing the questions will be open from September 11, 2023 (9.00 a.m. IST) till September 13, 2023 (5.00 p.m. IST).

C. Instructions / steps for voting through electronic means:



The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining VC for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDeAS facility</p> <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp <p>B. NSDL e-Voting website</p> <ol style="list-style-type: none"> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>C. NSDL Mobile App</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>   </p> <p>   </p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e., NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers i.e., NSDL.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>

B. Login Method for e-Voting and joining VC for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to secretarial@sandeep-cs.in with cc to secretary@fivestargroup.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at email id - evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretary@fivestargroup.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretary@fivestargroup.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining VC for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. *The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.*
2. *Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.*
3. *Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.*
4. *The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.*

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. *Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.*
2. *Members are encouraged to join the Meeting through Laptops for better experience.*
3. *Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.*
4. *Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.*

Statement pursuant to section 102(1) of the Companies Act, 2013 (“the Act”) setting out all material facts relating to the special businesses to be transacted at the AGM is detailed hereunder:

Item No 3: Revision in remuneration of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director

As part of annual revision in remuneration for FY 2022-23, the Nomination & Remuneration Committee at its meeting held on May 8, 2023, has recommended the revised remuneration payable to Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director from April 1, 2023. Subsequently the Board of Directors at its meeting held on May 9, 2023, approved the remuneration payable to Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director with effect from April 01, 2023, subject to approval of shareholders at the ensuing AGM by way of special resolution, and such details of remuneration are provided below:

- (a) Salary: INR 48.67 lakhs per month
- (b) Commission: Commission & Perquisites not exceeding 1.5 times of the annual salary
- (c) (a) and (b) together not exceeding 5% of the net profits of the Company, calculated as per the provisions of Section 198 of the Companies Act, 2013

The remuneration payable to Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), is within the conditions and limits as prescribed in Part I and Section 1 of Part II of Schedule V of the Companies Act, 2013 read with Section 197 of the Companies Act, 2013. Furthermore, brief details of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director, as required by paragraph no. 1.2.5 of SS2 - Secretarial Standards on General Meetings is provided in **Annexure A**.

Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director is directly interested in the said resolution and his relatives are interested to the extent of their shareholding in the Company. None of the other Directors or Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in this resolution.

Accordingly, your directors recommend the **Special Resolution** in item no. 3 for your approval.

Item No 4: Fixing of borrowing limits for the Company

In terms of provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Shareholders in a general meeting, borrow monies (together with the monies already borrowed by the Company) apart from temporary loans obtained from the Company’s bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves, i.e. to say, reserves not set apart for any specific purpose.

As part of business expansion & working capital requirement and for catering to loan disbursements to be made by the Company, the Board of Directors at its meeting held on February 25, 2023, recommended increase in borrowing limits from existing limit of INR 7,000 Crores to INR 8,000 Crores (with a sub-limit for borrowings of upto INR 5,000 Crores through Non-Convertible Debentures within this overall limits), subject to approval of members by way of special resolution.

Since the borrowing limit as proposed in item no. 4 of this notice, i.e. INR 8,000 crores is in excess of paid-up capital and its free reserves, the Board of Directors recommends the resolution mentioned in the item. 4 of this notice for approval of shareholders by means of a **Special Resolution**.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the resolution.

Item No 5: Creation of charges on the assets of the Company

For creation of security through mortgage or pledge or hypothecation or otherwise or through a combination of the same for securing the limits / credit / debt / financing facilities as may be availed by the Company, or funds raised by issuance of debentures / debt instruments, the Company would be required to secure all or any of the movable and immovable assets of the Company, present and future in favour of the Banks/financial institutions registered with

Reserve Bank of India, investment institutions and their subsidiaries, its bankers and other banks, mutual funds, trusts and bodies corporate or trustees for the holders of debentures/bonds and/or other instruments, or any other person.

Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Hence, it is necessary for the members to pass a resolution under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) to mortgage/ charge/ hypothecate / assign the assets, properties and/ or the whole or substantially the whole of the undertaking of the Company.

Accordingly, the Board of Directors at its meeting held on February 25, 2023, recommended the adoption of the resolution as set out in item no. 5 of the notice as **Special Resolution**.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the above resolution.

Item No 6: Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

As part of its fundraising plans, the Company proposes to issue NCDs aggregating upto INR 5,000 crores, on private placement basis as per the recommendation of the Board of Directors at their meeting held on February 25, 2023, to persons including but not limited to individuals, institutions, and bodies corporate, both domestic and non-domestic as may be identified by the Board of Directors or any Committee of the Board authorised in this behalf from time to time. The Company may offer or invite subscription for all kinds and types of NCDs including secured redeemable NCDs, in one or more series / tranches on private placement basis on such terms & conditions as may be decided by the Board or any Committee of the Board authorised in this behalf from time to time, subject to provisions of and including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, applicable circulars and notifications as may be issued by SEBI, Stock Exchanges in this regard.

Pursuant to Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case of an offer or invitation to subscribe for Non - Convertible Debentures ("NCDs") on private placement basis, the Company has an option to obtain omnibus approval from its shareholders by means of a special resolution once in a year for all the offers or invitations for such debentures during the year.

This resolution enables the Board of Directors (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time for one year from the conclusion of this General Meeting.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the above resolution.

Accordingly, Omnibus approval of the members is sought for passing a **Special Resolution** as set out at item no. 6 of the Notice.

Item No 7 & 8: Ratification of ASOP Scheme 2015 and related matters

The shareholders of the Company at its extra-ordinary general meeting held on April 12, 2016, had approved the Five-Star Associate Stock Option Scheme 2015 (ASOP 2015). Considering the Initial public offering (IPO) of the Company, the Company vide the resolution passed by the shareholders at its extra-ordinary general meeting held on October 8, 2021, had amended the ASOP 2015, in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBSE Regulations).

As per Regulation 12 of SEBI SBEBSE Regulations, Company shall make any fresh grant (subsequent to the IPO) which involves allotment or transfer of shares to its employees under any scheme formulated prior to its IPO and prior to the listing of its equity shares ('pre-IPO scheme') only after ratification of such pre-IPO schemes by shareholders.

Accordingly, it is proposed to place the ASOP 2015 before the shareholder for their ratification and approval, in compliance with Regulation 12 of SEBI SBEBSE regulation. The ASOP 2015 is in conformity with the SEBI SBEBSE Regulations and the Company has not made any fresh grant of options to employees after listing of its shares.

The disclosures as required under applicable laws are as follows:

S.No.	Requirement	Disclosure
1	A brief description of the Scheme	The objective of the ASOP 2015 is to attract, retain, encourage and reward the employees/ associates, who are the drivers of Company's growth. The ASOP 2015 is intended to reward the associates for their performance, commitment and support for the growth of Five Star and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the ASOP 2015 will enable Five Star to attract and retain the best available talent by making them partners in business and its growth
2	Total Number of options to be offered and granted	56,30,000 (consequent to sub-division of equity shares in the ratio of 1:10) options corresponding to 56,30,000 equity shares of the Company, being 5.62% of the paid-up share capital of the Company as on the date of adoption of the ASOP 2015.
3	Identification of classes of employees entitled to participate and be beneficiaries in the scheme	<p>a) an employee as designated by the Company, who is exclusively working in India or outside India.</p> <p>b) a director of the Company, whether a whole time director (in whatsoever name called including but not limited to executive director) or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director.</p> <p>c) an employee as defined in sub-clauses (i) or (ii) above, of a Group company including Subsidiary Company(ies) or Associate Company(ies) (present or future), in India or outside India, or of a Holding Company of the Company.</p> <p>But does not include:</p> <ul style="list-style-type: none"> • an employee who is a Promoter or belongs to the Promoter Group; • a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company. <p>The eligibility to participate and be beneficiaries in the ASOP 2015 is subject to such criteria as may be determined by the Nomination & Remuneration Committee at its discretion, including, but not limited to, the performance metrics on the achievement of which the granted options would vest and which may be specified in the respective letters of grant to be issued to the grantee. The beneficiaries under the ASOP 2015 may be identified by the Nomination & Remuneration Committee, which has been constituted by the Board.</p>
4	Requirements of vesting and period of vesting;	<p>The Options shall vest not less than one year from the Date of Grant or not later than 5 years from the Date of Grant.</p> <p>The vesting of the options shall be subject to such conditions as may be prescribed under the ASOP 2015.</p>
5	The maximum period within which the options shall be vested	The Options shall vest not less than one year from the Date of Grant or not later than 5 years from the Date of Grant.

		<p>However,</p> <p>(a) In the event of an eligible Option Grantee's services being discontinued on account of resignation, the Options granted to him but not vested as on the last working date under the ASOP 2015 shall lapse.</p> <p>(b) However, in the event of an eligible Option Grantee's services being terminated by the Company i.e. on account of termination without cause, the Options granted to him which would vest within the next one year from the date of termination without cause shall vest immediately on the date of termination. All other unvested Options as on the date of termination under the ASOP 2015 shall lapse.</p> <p>(c) In the event of an eligible Option Grantee's services being discontinued on account of termination with cause, the Options granted to him which have not vested in such employee as on the last working date would lapse. The vested Options in such situation would be treated in the manner provided in Clause 12.2 of ASOP 2015.</p> <p>(d) In the event of demise of an Option Grantee while in employment, the Options granted to him but not vested as on that date shall vest immediately in the legal heirs or nominees of the deceased Option Grantee. All such Options have to be exercised by the legal heirs or nominees of the deceased Option Grantee, as the case may be within the time period specified in Clause 12.3 of ASOP 2015 or as decided by the Nomination & Remuneration Committee at its sole discretion. It is hereby clarified that after Listing, the cliff period of 1 (one) year as regards Vesting will not apply in case of death of the Option Grantee.</p> <p>(e) In the case the Option Grantee suffers a permanent incapacity while in employment, the Options granted to him but not vested as on that date shall vest in him on that day. Such Options have to be exercised by the Option Grantee within the time period specified in Clause 12.3 of ASOP 2015 or as decided by the Nomination & Remuneration Committee at its sole discretion. It is hereby clarified that after Listing, the cliff period of 1 (one) year as regards Vesting will not apply in case the Option Grantee suffers a permanent incapacity.</p> <p>(f) In case of superannuation of an Option Grantee, all unvested Options on the date of the superannuation shall lapse, unless otherwise decided by the Nomination & Remuneration Committee at its sole discretion, and the vested Options shall be exercised within the time period specified in Clause 12.5 of ASOP 2015. After the Listing of the Company, the Options granted which have not vested, will not expire, and continue to vest in accordance with respective Vesting schedules as per Company's policies.</p> <p>Please see below paragraph 7 with the details relating to vesting in case of merger event or buyout or control event.</p>
6	Exercise price or pricing formulae	The Exercise Price per Option shall be such price not being less than the face value, as may be determined by the Nomination & Remuneration Committee and set out in the grant letter, which shall be in accordance with the applicable accounting standards.

7	Exercise period/ offer period and process of exercise / acceptance of offer	<p>The Exercise Period shall commence from the date of Vesting and expire not later than 60 (Sixty) calendar months from the relevant Vesting date.</p> <p>However,</p> <ul style="list-style-type: none"> (a) If the services of an Option Grantee is terminated by such Option Grantee or of the Company (e.g. resignation or termination without cause), then, such Option Grantee may Exercise the Options within 90 days from the last working day, failing which the Options shall lapse. If the Exercise of Options is delayed by operation of law or under any Regulations or as per the policy of the Company, the 90 days mentioned above shall be extended by such period of days as the Nomination & Remuneration Committee may deem fit. (b) In case of an Option Grantee, whose services are terminated for cause, such Option Grantee may Exercise the Options within 30 days from the last working day, failing which the Options shall lapse. However, the Company reserves the right to cancel all rights pertaining to Exercise of vested Options under the ASOP 2015 as may be decided by the Nomination & Remuneration Committee. (c) In case of death or permanent incapacity of an Option Grantee, Options which are vested as on the date of demise or incapacitation but not exercised and Options which shall be vested as on the date of demise / permanent incapacity (as per clause 11.4 and 11.5 of ASOP 2015), shall be exercised within 180 days from the date of death or permanent incapacitation by the nominees / legal heirs of the deceased Option Grantee or such Option Grantee as the case may be, upon proper verification and approval by the Nomination & Remuneration Committee. (d) The date of the termination of employment of an Option Grantee shall mean the date of termination of the employment specified by the Company in the letter of termination issued by the Company to that grantee or the last working day, whichever is later. (e) In case of superannuation of an Option Grantee, the vested Options as on the date of superannuation shall be exercised within 90 days from the date of superannuation. <p>Further,</p> <ul style="list-style-type: none"> (a) In the event of a merger or acquisition of Five Star with any other company or body corporate ("Merger Event") which would result in the creation of a new entity or otherwise, wherein the Shares of Five Star to be swapped with the new entity or otherwise, all the unvested Options shall be vested and shall have to be exercised before the binding documents are signed resulting in the consummation of the Merger Event. For abundant clarity, it is to be understood that as defined above, upon the accelerated Vesting and Exercise of the Options, the Option Grantees shall have become shareholders of Five Star on or before the date of the Merger Event. The date of Vesting and timeline for Exercise shall be discussed and mutually agreed to between Five Star and the Associates but in no event shall the
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		<p>Vesting and Exercise go beyond the date of consummation of the Merger Event.</p> <p>(b) In a scenario where an individual or company or body corporate acquires majority shareholding (greater than or equal to 51%) (“Buyout”) in Five Star or in case of change in Control of Five Star (“Control Event”), all the unvested Options shall be vested and shall have to be exercised before the binding documents are signed resulting in the consummation of the Buyout or the Control Event. For abundant clarity, it is to be understood that as defined above, upon the accelerated Vesting and Exercise of the Options, the Option Grantees shall have become Shareholders of Five Star on or before the date of the Buyout or Control Event. The date of Vesting and timeline for Exercise shall be discussed and mutually agreed to between Five Star and the Associates but in no event shall the Vesting and Exercise go beyond the date of consummation of the Buyout or Control Event. For the purpose of this clause, “Control” shall mean and include the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.</p> <p>(c) Notwithstanding anything above, the Nomination & Remuneration Committee shall have the right to accelerate the timeline for the Vesting or Exercise of Options by the Associates in view of any proposed corporate actions being undertaken in the Company.</p> <p>On the exercise process:</p> <p>The Option Grantees can Exercise rights to convert the Options into ASOP Shares either in full or in tranches by addressing a communication to the Nomination & Remuneration Committee in the form that may be prescribed by the Nomination & Remuneration Committee from time to time. The Option Grantee, shall, at the time of Exercise of Options send the prescribed form mentioning the number of Options that he is willing to Exercise, PAN and other details as may be required, together with payment for an amount equal to the aggregate Exercise Price and tax payable in respect of the Options exercised.</p>
8	The appraisal process for determining the eligibility of employees for the scheme;	As determined by Nomination & Remuneration Committee
9	The maximum number of options to be offered and issued per employee and in aggregate, if any	<p>The maximum number of ESOPs that can be granted per employee/associate shall be as determined by the Nomination & Remuneration Committee subject to overall limits as approved by the shareholders.</p> <p>The maximum number of Options granted to any one Associate over the life of the Scheme shall not be more than 1% (one percent) of the issued equity share capital of the Company at the time of Grant of the Option. Prior approval of shareholders by way of special resolution in the general meeting shall be obtained in case the Grant of Options to any Associate is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants</p>

		and conversions) of the Company at the time of Grant of Option. The total / aggregate number of ESOPs to be issued is 56,30,000 ESOPs corresponding to 56,30,000 equity shares of the Company.
10	The maximum quantum of benefits to be provided per employee under the Scheme	Unless otherwise determined by the Nomination & Remuneration Committee, the maximum benefits underlying the equity shares acquired by employees pursuant to the exercise of the ESOPs will be the difference in the exercise price and the market price of the equity shares.
11	Administration of Scheme - Whether the Scheme is to be implemented and administered directly by the Company or through a trust	Directly by the Company
12	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	New issue of shares by the Company
13	The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.	NA
14	Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Scheme	NA
15	A statement to the effect that the company shall conform to the accounting policies specified in regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	The Company shall follow and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/ or accounting policies as per the Act and/or Regulation 15 of the SBEBSE Regulations as applicable. In addition, the Company shall disclose such details as required under the applicable laws.
16	Method which the company shall use to value its options	The Company shall follow the intrinsic method for valuations of Options unless otherwise required by the Accounting Standards followed by the Company. In the event the Company opts to use intrinsic method, then the following statement would be applicable: 'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.
17	Lock-in period, if any	The equity shares arising out of exercise of vested options will not be subject to any lock - in period after such exercise.
18	Terms & conditions for buyback, if any, of specified securities covered under these regulations	N.A.

Item No 9 & 10: Ratification of ASOP Scheme 2018 and related matters

The shareholders of the Company at its extra-ordinary general meeting held on March 26, 2018, had approved the Five-Star Associate Stock Option Scheme 2018 (ASOP 2018). Considering the Initial public offering (IPO) of the Company, the Company vide the resolution passed by the shareholders at its extra-ordinary general meeting held on October 8, 2021, had amended the ASOP 2018, in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBSE Regulations).

As per Regulation 12 of SEBI SBEBSE Regulations, Company shall make any fresh grant (subsequent to the IPO) which involves allotment or transfer of shares to its employees under any scheme formulated prior to its IPO and prior to the listing of its equity shares ('pre-IPO scheme') only after ratification of such pre-IPO schemes by shareholders.

Accordingly, it is proposed to place the ASOP 2018 before the shareholder for their ratification and approval, in compliance with Regulation 12 of SEBI SBEBSE regulations. The ASOP 2018 is in conformity with the SEBI SBEBSE Regulations and the Company has not made any fresh grant of options to employees after listing of its shares.

The disclosures as required under applicable laws are as follows:

S.No	Requirement	Disclosure
1	A brief description of the Scheme	The objective of the ASOP 2018 is to attract, retain, encourage and reward the employees (associates), who are the drivers of Company's growth. The ASOP 2018 is intended to reward the associates for their performance, commitment and support for the growth of Five Star and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the ASOP 2018 will enable Five Star to attract and retain the best available talent by making them partners in business and its growth
2	Total Number of options to be offered and granted	50,00,000 (consequent to sub-division of equity shares in the ratio of 1:10) options corresponding to 50,00,000 equity shares of the Company, being 2.61% of the paid-up share capital of the Company as on the date of adoption of the ASOP 2018.
3	Identification of classes of employees entitled to participate and be beneficiaries in the scheme	<p>d) an employee as designated by the Company, who is exclusively working in India or outside India.</p> <p>e) a director of the Company, whether a whole time director (in whatsoever name called including but not limited to executive director) or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director.</p> <p>f) an employee as defined in sub-clauses (i) or (ii) above, of a Group company including Subsidiary Company(ies) or Associate Company(ies) (present or future), in India or outside India, or of a Holding Company of the Company.</p> <p>But does not include:</p> <ul style="list-style-type: none"> • an employee who is a Promoter or belongs to the Promoter Group; • a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company. <p>The eligibility to participate and be beneficiaries in the ASOP 2018 is subject to such criteria as may be determined by the Nomination & Remuneration Committee at its discretion, including, but not limited to, the performance metrics on the achievement of which the granted options would vest and which may be specified in the respective letters of grant to be issued to the grantee. The beneficiaries under the ASOP 2018 may be identified by the Nomination & Remuneration Committee, which has been constituted by the Board.</p>
4	Requirements of vesting and period of vesting;	The Options shall vest not less than one year from the Date of Grant or not later than 5 years from the Date of Grant.

		The vesting of the options shall be subject to such conditions as may be prescribed under the ASOP 2018.
5	The maximum period within which the options shall be vested	<p>The Options shall vest not less than one year from the Date of Grant or not later than 5 years from the Date of Grant.</p> <p>However,</p> <p>(a) In the event of an eligible Option Grantee’s services being discontinued on account of resignation, the Options granted to him but not vested as on the last working date under the ASOP 2018 shall lapse.</p> <p>(b) However, in the event of an eligible Option Grantee’s services being terminated by the Company i.e. on account of termination without cause, the Options granted to him which would vest within the next one year from the date of termination without cause shall vest immediately on the date of termination. All other unvested Options as on the date of termination under the ASOP 2018 shall lapse.</p> <p>(c) In the event of an eligible Option Grantee’s services being discontinued on account of termination with cause, the Options granted to him which have not vested in such employee as on the last working date would lapse. The vested Options in such situation would be treated in the manner provided in Clause 12.2 of ASOP 2018.</p> <p>(d) In the event of demise of an Option Grantee while in employment, the Options granted to him but not vested as on that date shall vest immediately in the legal heirs or nominees of the deceased Option Grantee. All such Options have to be exercised by the legal heirs or nominees of the deceased Option Grantee, as the case may be within the time period specified in Clause 12.3 of ASOP 2018 or as decided by the Nomination & Remuneration Committee at its sole discretion. It is hereby clarified that after Listing, the cliff period of 1 (one) year as regards Vesting will not apply in case of death of the Option Grantee.</p> <p>(e) In the case the Option Grantee suffers a permanent incapacity while in employment, the Options granted to him but not vested as on that date shall vest in him on that day. Such Options have to be exercised by the Option Grantee within the time period specified in Clause 12.3 of ASOP 2018 or as decided by the Nomination & Remuneration Committee at its sole discretion. It is hereby clarified that after Listing, the cliff period of 1 (one) year as regards Vesting will not apply in case the Option Grantee suffers a permanent incapacity.</p> <p>(f) In case of superannuation of an Option Grantee, all unvested Options on the date of the superannuation shall lapse, unless otherwise decided by the Nomination & Remuneration Committee at its sole discretion, and the vested Options shall be exercised within the time period specified in Clause 12.5 of ASOP 2018. After the Listing of the Company, the Options granted which have not vested, will not expire, and continue to vest in accordance with respective Vesting schedules as per Company’s policies.</p> <p>Please see below paragraph 7 with the details relating to vesting in case of merger event or buyout or control event.</p>

6	Exercise price or pricing formulae	The Exercise Price per Option shall be such price not being less than the face value, as may be determined by the Nomination & Remuneration Committee and set out in the grant letter, which shall be in accordance with the applicable accounting standards.
7	Exercise period/ offer period and process of exercise / acceptance of offer	<p>The Exercise Period shall commence from the date of Vesting and expire not later than 60 (Sixty) calendar months from the relevant Vesting date.</p> <p>However,</p> <p>(a) If the services of an Option Grantee is terminated by such Option Grantee or of the Company (e.g. resignation or termination without cause), then, such Option Grantee may Exercise the Options within 90 days from the last working day, failing which the Options shall lapse. If the Exercise of Options is delayed by operation of law or under any Regulations or as per the policy of the Company, the 90 days mentioned above shall be extended by such period of days as the Nomination & Remuneration Committee may deem fit.</p> <p>(b) In case of an Option Grantee, whose services are terminated for cause, such Option Grantee may Exercise the Options within 30 days from the last working day, failing which the Options shall lapse. However, the Company reserves the right to cancel all rights pertaining to Exercise of vested Options under the ASOP 2018 as may be decided by the Nomination & Remuneration Committee.</p> <p>(c) In case of death or permanent incapacity of an Option Grantee, Options which are vested as on the date of demise or incapacitation but not exercised and Options which shall be vested as on the date of demise / permanent incapacity (as per clause 11.4 and 11.5 of ASOP 2018), shall be exercised within 180 days from the date of death or permanent incapacitation by the nominees / legal heirs of the deceased Option Grantee or such Option Grantee as the case may be, upon proper verification and approval by the Nomination & Remuneration Committee.</p> <p>(d) The date of the termination of employment of an Option Grantee shall mean the date of termination of the employment specified by the Company in the letter of termination issued by the Company to that grantee or the last working day, whichever is later.</p> <p>(e) In case of superannuation of an Option Grantee, the vested Options as on the date of superannuation shall be exercised within 90 days from the date of superannuation.</p> <p>Further,</p> <p>(a) In the event of a merger or acquisition of Five Star with any other company or body corporate ("Merger Event") which would result in the creation of a new entity or otherwise, wherein the Shares of Five Star to be swapped with the new entity or otherwise, all the unvested Options shall be vested and shall have to be exercised before the binding documents are signed resulting in the consummation of the Merger Event. For abundant clarity, it is to be understood that as defined above, upon the accelerated Vesting and Exercise of the Options, the</p>

		<p>Option Grantees shall have become shareholders of Five Star on or before the date of the Merger Event. The date of Vesting and timeline for Exercise shall be discussed and mutually agreed to between Five Star and the Associates but in no event shall the Vesting and Exercise go beyond the date of consummation of the Merger Event.</p> <p>(b) In a scenario where an individual or company or body corporate acquires majority shareholding (greater than or equal to 51%) (“Buyout”) in Five Star or in case of change in Control (“Control Event”) of Five Star, all the unvested Options shall be vested and shall have to be exercised before the binding documents are signed resulting in the consummation of the Buyout or the Control Event. For abundant clarity, it is to be understood that as defined above, upon the accelerated Vesting and Exercise of the Options, the Option Grantees shall have become Shareholders of Five Star on or before the date of the Buyout or Control Event. The date of Vesting and timeline for Exercise shall be discussed and mutually agreed to between Five Star and the Associates but in no event shall the Vesting and Exercise go beyond the date of consummation of the Buyout or Control Event. For the purpose of this clause, “Control” shall mean and include the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.</p> <p>(c) Notwithstanding anything above, the Nomination & Remuneration Committee shall have the right to accelerate the timeline for the Vesting or Exercise of Options by the Associates in view of any proposed corporate actions being undertaken in the Company.</p> <p>On the exercise process:</p> <p>The Option Grantees can Exercise rights to convert the Options into ASOP Shares either in full or in tranches by addressing a communication to the Nomination & Remuneration Committee in the form that may be prescribed by the Nomination & Remuneration Committee from time to time. The Option Grantee, shall, at the time of Exercise of Options send the prescribed form mentioning the number of Options that he is willing to Exercise, PAN and other details as may be required, together with payment for an amount equal to the aggregate Exercise Price and tax payable in respect of the Options exercised.</p>
8	The appraisal process for determining the eligibility of employees for the scheme;	As determined by Nomination & Remuneration Committee
9	The maximum number of options to be offered and issued per employee and in aggregate, if any	<p>The maximum number of ESOPs that can be granted per employee/associate shall be as determined by the Nomination & Remuneration Committee subject to overall limits as approved by the shareholders.</p> <p>The maximum number of Options granted to any one Associate over the life of the Scheme shall not be more than 1% (one percent) of the issued equity share capital of the Company at the time of Grant of</p>

		<p>the Option. Prior approval of shareholders by way of special resolution in the general meeting shall be obtained in case the Grant of Options to any Associate is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.</p> <p>The total / aggregate number of ESOPs to be issued is 50,00,000 ESOPs corresponding to 50,00,000 equity shares of the Company.</p>
10	The maximum quantum of benefits to be provided per employee under the Scheme	Unless otherwise determined by the Nomination & Remuneration Committee, the maximum benefits underlying the equity shares acquired by employees pursuant to the exercise of the ESOPs will be the difference in the exercise price and the market price of the equity shares.
11	Administration of Scheme - Whether the Scheme is to be implemented and administered directly by the Company or through a trust	Directly by the Company
12	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	New issue of shares by the Company
13	The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.	NA
14	Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Scheme	NA
15	A statement to the effect that the company shall conform to the accounting policies specified in regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	The Company shall follow and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/ or accounting policies as per the Act and/or Regulation 15 of the SBEBSE Regulations as applicable. In addition, the Company shall disclose such details as required under the applicable laws.
16	Method which the company shall use to value its options	<p>The Company shall follow the intrinsic method for valuations of Options unless otherwise required by the Accounting Standards followed by the Company.</p> <p>In the event the Company opts to use intrinsic method, then the following statement would be applicable:</p> <p>'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.</p>
17	Lock-in period, if any	The equity shares arising out of exercise of vested options will not be subject to any lock - in period after such exercise.
18	Terms & conditions for buyback, if any, of specified securities covered under these regulations	N.A.

The Company shall comply with the applicable accounting standards as specified in Regulation 15 of the SEBI SBEBSE Regulations.

The Board of Director at their meeting held on May 9, 2023, recommends the resolutions set out at Item Nos. 7, 8, 9 & 10 of the accompanying notice for approval of the Members by way of **Special Resolution**.

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are interested in the said resolution, except to the extent of the shares allotted/options granted to them under the ASOP 2015 & ASOP 2018.

Item 11 and 12: Approval of Five-Star Associate Stock Option Scheme 2023 (ASOP 2023) and extending the benefits to the eligible employees of the Company and its group companies, including any holding company, associate and subsidiary Company

The equity-based compensation is a mode to attract talents and strengthening the human resource base, which is a vital need of every organisation. In the past, the Company had floated multiple compensation schemes such as Five-Star Associate Stock Option Scheme 2015 and Five-Star Associate Stock Option Scheme 2018 (Collectively referred as ESOP Schemes), which were well received by the employees of the Company. However, the pool balances under earlier ESOP Schemes were allocated to maximum number of employees. Keeping the Company's growth in mind, it is vital for the Company to retain its core talents who are part of organisation ecosystem, and in this regard, the Board of Directors at its meeting held on August 16, 2023, based on recommendations of Nomination & Remuneration Committee at its meeting held on August 16, 2023, approved the ASOP 2023 Scheme subject to approval of shareholders.

In terms of Section 62(1)(b) of the Act and Rules made thereunder read with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBSE Regulations") dated August 13, 2021, the Company seeks your approval as regards the adoption and implementation of the Five-Star Associate Stock Option Scheme 2023 ("ASOP 2023") and grant of Options thereunder to the eligible employees of the Company and its group companies, including any holding company, associate and subsidiary company, as decided from time to time as per provisions of ASOP 2023 read with provisions of SEBI SBEBSE Regulations.

The main features of ASOP 2023 are as under:

a) Brief Description of ASOP 2023:

The objective of "ASOP 2023" is to attract, retain, encourage and reward the associates, who are the drivers of Company's growth. The ASOP 2023 is intended to reward the associates for their performance, commitment and support for the growth of Five Star and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the ASOP 2023 will enable Five Star to attract and retain the best available talent by making them partners in business and its growth.

Keeping the aforesaid objectives in view, ASOP 2023 contemplates grant of options to the eligible employees of the Company (and its group companies, including any holding company, associate and subsidiary company). After vesting of options, the eligible employees earn a right, but not obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination & Remuneration Committee ("Committee") shall act as the compensation committee for the administration of ASOP 2023. All questions of interpretation of the ASOP 2023 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ASOP 2023.

b) Total number of options to be offered and granted:

The total number of options to be granted under the ASOP 2023 shall not exceed 30,00,000 (Thirty Lakhs Only), being 1.03% of the paid-up equity share capital of the Company as on August 16, 2023 (which number shall be adjusted in the event of any adjustments/ re-organisation of capital structure of the Company from time to time). Each option when exercised would be exercisable in to one equity share ("Share") of INR 1.00 (Indian Rupee One) each fully paid-up.

Further, SEBI SBEBSE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this

regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the ASOP 2023 remain the same after any such corporate action. Accordingly, any additional options issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 30,00,000 (Thirty Lakhs Only) shall be deemed to be increased to the extent of such additional options issued.

c) Identification of classes of employees entitled to participate and be beneficiaries in the ASOP 2023:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a whole time director (in whatsoever name called including but not limited to executive director) or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- (iii) an employee as defined in sub-clauses (i) or (ii) above, of a Group company including Subsidiary Company(ies) or Associate Company(ies) (present or future), in India or outside India, or of a Holding Company of the Company,

but does not include:

- (a) an employee who is a promoter or person belonging to the promoter group; or
- (b) a director who, either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the Company.

The eligibility to participate and be beneficiaries in the ASOP 2023 is subject to such criteria as may be determined by the Committee at its discretion, including, but not limited to, the performance metrics on the achievement of which the granted options would vest and which may be specified in the respective letters of grant to be issued to the grantee. An ASOP Selection Committee may be constituted by the Committee, if necessary, to enable it to identify the employees eligible to participate in this ASOP 2023 in accordance with terms hereof and the Applicable Law.

d) Requirements of Vesting and period of Vesting:

The options shall vest not less than 3 years from the date of grant and not later than 5 years from the date of grant. However, in case of death or permanent incapacity, the minimum vesting period of 3 years shall not apply, in which case the unvested options shall vest immediately. The vesting of the options shall be subject to such conditions as may be prescribed under the ASOP 2023.

e) Maximum period within which the options shall be vested:

The options shall vest not less than 3 years from the date of grant or not later than 5 years from the date of grant. However, in case of death or permanent incapacity, the minimum Vesting period of 3 (three) years shall not apply, in which case the options shall vest immediately.

Vesting of options granted to the employees may expire or lapse or deemed forfeited or get accelerated (as the case may be) in the following circumstances:

1. Options granted to the grantee shall expire if the vesting related requirements set forth in the grant letter or the ASOP 2023 are not satisfied.
2. In the event of death of the grantee, options granted and remaining unvested as on the date of death of the grantee, shall vest immediately on the date of death in the legal heirs or nominees of the deceased grantee, as the case may be, in accordance with ASOP 2023.
3. In the event of permanent incapacity of the grantee, options granted and remaining unvested as on the date of permanent incapacity, shall vest immediately in the grantee or his/her legal heir/nominee, on the date of the disability in accordance with the ASOP 2023.
4. In the event of termination of the employment of a grantee without cause, the options which would vest within the next one year from the date of termination shall vest immediately, on an accelerated basis, on the date of termination. All other unvested options as on the date of termination under the ASOP 2023 shall lapse. The vested options shall be exercised within the time period specified in the ASOP 2023.

5. In the event of termination of employment for cause (including in case of misconduct), the options granted which have not vested in such grantee as on the last working date would lapse. The vested options in such situation would be treated in the manner provided in the ASOP 2023.
6. In the event of an eligible option grantee's services being discontinued on account of resignation, the options granted to him but not vested as on the last working date under the ASOP 2023 shall lapse. The vested options shall be exercised within the time period specified in the ASOP 2023.
7. In the event of retirement or superannuation of an option grantee, the options granted which have not vested as on that date shall continue to vest in accordance with the respective vesting schedules, even after retirement or superannuation in accordance with the Company's policies and the applicable law.
8. In the event of deputation or transfer by the Company to a group company, including a subsidiary company, holding company or associate company, the unvested options will continue to vest and be exercised as per the terms of the grant and provisions of the ASOP 2023.

f) Exercise price or pricing formula:

The exercise price per option shall be the latest available closing price on recognized stock exchange (having the higher trading volume, if listed on more than one recognized stock exchange) on the date immediately prior to the date of Grant and shall be included in the grant letter. Provided that the exercise price shall be in compliance with the accounting standards specified under Regulation 15 of the SEBI SBEBSE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

g) Exercise period/ offer period and the process of exercise/ acceptance of offer:

The exercise period shall not be more than 3 years from the date of vesting of options or such other shorter period as may be determined by the Committee, subject to company policies and applicable laws, and intimated in the relevant grant letter.

Further,

- (a) If the services of an option grantee are terminated by such option grantee (resignation of the option grantee) or by the Company (termination without cause), then, such option grantee may exercise the vested options within 90 (ninety) days from the last working day, failing which the options shall lapse. If the exercise of options is delayed by operation of any applicable law as per the policy of the Company, the 90 (ninety) days mentioned above shall be extended by such period of delay or as the Committee may deem fit prior to the expiry of the exercise period.
- (b) Unless otherwise determined by the Committee (which determination may be made at the time of cessation of the option grantee's association with the Company), in case of an option grantee, whose services are terminated for cause, such option grantee may exercise the vested options within 30 days from the last working day, failing which the options shall lapse. It is hereby clarified that the Committee reserves the right to cancel all rights pertaining to exercise of vested options under the ASOP 2023 as may be decided by the Committee.
- (c) In case of death or permanent incapacity of an option grantee, options which are vested as on the date of demise or permanent incapacity but not exercised and options which shall be vested as on the date of death / permanent incapacity (as per the ASOP 2023), shall be exercised within 180 (one hundred and eighty) days from the date of death or permanent incapacity by the nominees / legal heirs of the deceased option grantee or such option grantee as the case may be, upon proper verification and approval by the Committee.
- (d) The date of the termination of employment of an option grantee shall mean the date of termination of the employment specified by the Company in the letter of termination issued by the Company to that grantee or the last working day, whichever is later. In the event of disputes, the Committee shall, for the purposes of the ASOP 2023, determine whether there has been a termination of employment for cause or otherwise in terms of the applicable employment policies, or whether there has been Permanent Incapacity during the course of employment, as provided for herein. The decision of the Committee in this regard shall be binding on the option grantee(s).

The options will be exercisable by the associates by way of an application to the Company accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the Board of Directors or the Committee from time to time.

In the event of a merger or acquisition or other similar transaction of Five Star with any other company or body corporate ("Merger Event") which would result in the creation of a new entity or otherwise, wherein the Shares of Five Star shall be swapped with the new entity or otherwise, all the unvested options shall follow an accelerated vesting and the vested options shall have to be exercised before the binding documents are signed resulting in the consummation of the Merger Event. For abundant clarity, it is to be understood that as defined above, upon the accelerated vesting and exercise of the options, the option grantees shall have become shareholders of Five Star on or before the date of the Merger Event. The date of vesting and timeline for exercise shall be discussed and mutually agreed to between Five Star and the associates but in no event shall the vesting and exercise go beyond the date of consummation of the Merger Event. Alternatively, where the acceleration of unvested options is not preferred by the Committee or the Board of Directors, the vested or unvested options prior to such Merger Event shall be treated as per the adjustments to be made and recommended by the Committee, and the Committee shall take appropriate measures whereby the option grantees are issued options of the resultant entity in lieu of the granted and/or vested options. In such case, subject to compliance with the Applicable Law, the Committee (i) shall ensure that the value of the options of the successor entity shall be comparable to the value of the options held by the option grantee, and (ii) the terms relating to vesting, exercise price, exercise period are comparable to such terms of the options. Notwithstanding the generality of the above, the terms and conditions of the options issued in lieu of the options granted to such option grantee may be at variance with the terms contained in the ASOP 2023.

In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.

In a scenario where an individual or company or body corporate acquires majority shareholding (greater than or equal to 51%) ("Buyout") in Five Star or in case of change in Control ("Control Event") of Five Star, all the unvested options shall follow an accelerated vesting and all the vested shares shall have to be exercised before the binding documents are signed resulting in the consummation of the Buyout or the Control Event. For abundant clarity, it is to be understood that as defined above, upon the accelerated vesting and exercise of the options, the option grantees shall have become shareholders of Five Star on or before the date of the Buyout or Control Event. The date of vesting and timeline for exercise shall be discussed and mutually agreed to between Five Star and the associates but in no event shall the vesting and exercise go beyond the date of consummation of the Buyout or Control Event. For the purpose of this clause, "Control" shall mean and include the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

Notwithstanding anything above, the Committee shall have the right to accelerate the timeline for the vesting or exercise of options by the option grantees in view of any proposed corporate actions being undertaken in the Company.

h) Appraisal process for determining the eligibility of employees under the Plan:

The Board/Committee or the ASOP Selection Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics which would include the targets, goals, events, profitability, revenue, share price growth and other strategic metrics/parameters (as applicable at the relevant stage and as determined by the Committee, and which may be specified in the respective Grant Letters or the vesting letters to be issued) based on which the options shall be granted and/or vest and to help in quantifying the options to be granted to associates.

i) Maximum number of options to be offered and issued per employee and in aggregate, if any:

The maximum number of ESOPs that can be granted per employee/associate shall be as determined by the Committee subject to overall limits as approved by the shareholders.

A maximum of 30,00,000 (Thirty Lakhs only) options may be granted under the ASOP 2023, corresponding to 30,00,000 (Thirty Lakhs only) equity shares of Re. 1/- each (approximately 1.03% of the paid-up equity share capital as on August 16, 2023), with each such option conferring a right upon the grantee to apply for one equity share of the Company, which may be adjusted for any corporate action(s) in terms of the ASOP 2023.

j) Maximum quantum of benefits to be provided per employee under the Plan:

Unless otherwise determined by the Committee, the maximum benefits underlying the equity shares acquired by employees pursuant to the exercise of the ESOPs will be the difference in the exercise price and the market price of the equity shares.

k) Whether the scheme(s) is to be implemented and administered directly by the company or through a trust:

ASOP 2023 will be implemented through direct route and administered by the Committee.

l) Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both:

ASOP 2023 involves new issue of shares by the Company in compliance with the SEBI SBEBSE Regulations and other applicable laws.

m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not applicable

n) Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the scheme(s):

Not applicable

o) A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

The Company shall follow and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/ or accounting policies as per the Act and/or Regulation 15 of the SBEBSE Regulations as applicable. In addition, the Company shall disclose such details as required under the applicable laws.

p) Method of valuation which the company shall use to value its options:

To calculate the employee compensation cost, the Company shall follow the intrinsic method for valuations of Options unless otherwise required by the Accounting Standards followed by the Company.

In the event the Company opts to use intrinsic method, then the following statement would be applicable:

'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.

q) Lock-in period, if any:

The equity shares arising out of exercise of vested options will not be subject to any lock - in period after such exercise.

r) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the ASOP 2023:

Not applicable

s) **Declaration:**

A draft copy of the ASOP 2023 scheme is available for electronic inspection at the Company's website at <https://fivestargroup.in/>

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted options under the Plan.

The Board recommends the resolution for approval of the Members as a **Special Resolution** as set out in the item nos. 11 and 12 of this notice.

By Order of the Board of Directors

Place: Chennai
Date: August 16, 2023

Shalini Baskaran
Company Secretary

DISCLOSURE UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of Director	Mr Lakshmipathy Deenadayalan	Mr Thirulokchand Vasan
<i>DIN</i>	01723269	07679930
<i>Date of Birth / (Age)</i>	09-Feb-1974 / 49	25-01-1976/47
<i>Qualifications</i>	Bachelor of Engineering	Bachelor in Hotel Management
<i>Brief resume & Experience</i>	Mr Lakshmipathy Deenadayalan hails from a business family, he joined the Company as a Director in 2002 and went on to become its Managing Director in 2012. He was the Managing Director of RKV Finance Limited, a NBFC registered with RBI. He has wide exposure in lending to Small Business Customers (SBL) which has helped him to develop similar advance portfolio at the Company with great success.	Thirulokchand Vasan is a Hotel Management Graduate with over 17 years of experience in the hospitality business.
<i>Expertise in specific Functional areas</i>	Financial Services, Strategy & Planning, Risk Management, Corporate Governance and Management & Leadership	Team management, Customer satisfaction and process optimization.
<i>Terms and conditions of appointment</i>	As approved by the shareholders at the meeting held on September 2, 2022	Not Applicable
<i>Remuneration sought to be paid</i>	As set out in the special resolution under Item no. 3 of this Notice	Not Applicable
<i>Remuneration last drawn (for financial year 2022-23)</i>	Salary: ₹ 42.19 lakhs per month Commission: Commission & Perquisites not exceeding 1.5 times of the annual salary (a) and (b) together not exceeding 5% of the net profits of the Company, calculated as per the provisions of Section 198 of the Companies Act, 2013	Not Applicable
<i>Date of first appointment on the Board</i>	June 21, 2002	December 15, 2016
<i>Shareholding in the Company as of March 31, 2023</i>	10.53 %	Nil
<i>Relationship with other Directors, Manager and KMP of the Company</i>	None	None
<i>Number of Board Meetings attended during FY 2022-23</i>	Fourteen (14) out of Fifteen (15) meetings held	Fifteen (15) out of Fifteen (15) meetings held
<i>Other Directorships, Membership/ Chairmanship of Committees of other Boards</i>	Nil	Nil
<i>In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</i>	NA	NA